

Message Text

CONFIDENTIAL

PAGE 01 STATE 043294
ORIGIN PM-04

INFO OCT-01 ARA-06 ISO-00 ACDA-07 L-03 H-01 AID-05 IGA-02
CIAE-00 INR-07 NSAE-00 /036 R

DRAFTED BY CNO/OPS-63: DROGERS:PM/SAS:RWSMITH:LD
APPROVED BY PM/SAS: MR. WINSHIP
L/PM - MR. BOREK
ARA/RPP - MR. FINAN
ACDA - MS. WATSON
H - MR. GELBER
-

-----261016 056751 /11
R 260157Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA
INFO SECDEF WASHDC
USCINCSO QUARRY HTS CZ

C O N F I D E N T I A L STATE 043294

E.O. 11652: GDS

TAGS: MASS, BR

SUBJECT: LEASE OF USN SHIPS/CRAFT TO BRAZILIAN NAVY

REF: A) STATE 222561 DTG 181624Z SEP 75
B) CNO DTG 242316Z NOV 76
C) BRASILIA 9338 DTG 051930Z NOV 76 (NOTAL)
D) CHNAVSEC USMILGP RIO DE JANEIRO DTG 172352Z
JUN 76

1. AS STATED REF A, USG ESTABLISHED POLICY IN NOVEMBER
1972 TO SELL THE USN SHIPS/CRAFT WHICH ARE ON LOAN OR
LEASE AND NO LONGER REQUIRED TO MEET USN MOBILIZATION NEEDS.
IT WAS PART OF THAT POLICY THAT COUNTRIES DESIRING TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 043294

RETAIN THESE SHIPS AFTER EXPIRATION OF CURRENT AGREEMENTS
WOULD BE ENCOURAGED TO PURCHASE THEM AS AGREEMENTS EXPIRE,
OR EARLIER IF DESIRED.

2. IN RECOGNITION OF THE BRAZILIAN NAVY FUNDING PROBLEMS
REF B OFFERED TO EXTEND THE LEASE ON AFDL-39, ARB-12, ARD-14
AND YFN-903 FOR A PERIOD OF TWO YEARS TO PERMIT NECESSARY

BUDGETARY PLANNING FOR EVENTUAL PURCHASE OF THE SHIPS AND CRAFT WHEN THE LEASES EXPIRE IN 1979. THE LEASE ON AGOR-6 WILL BE EXTENDED IN JUL 79, BARRING UNFORESEEN USN REQUIREMENTS.

3. THE SALE PRICE OF THE SHIPS REPRESENTS THE ESTIMATED MARKET APPRAISAL VALUE (IN EFFECT, THE SCRAP VALUE) WHICH WILL LIKELY CONTINUE TO INCREASE CONSISTENT WITH THE INFLATIONARY RATE ON THE SCRAP METAL MARKET. BECAUSE OF THE CHANGE TO THE LAW (BYRD AMENDMENT) IN OCT 1976, WHICH INCREASED THE TONNAGE FIGURE FROM 2000 TO 3000 TONS, SALE OF ARB-12 AND YFN-903 WILL REQUIRE ONLY 30 DAY NOTIFICATION TO CONGRESS; THE OTHERS WILL REQUIRE ENABLING LEGISLATION.

4. EITHER SALE OR EXTENSION OF LEASES WILL REQUIRE NOTIFICATION TO THE CONGRESS AND COULD GENERATE AN ADVERSE REACTION FROM SOME MEMBERS. SUCH OPPOSITION WILL HAVE TO BE ADDRESSED AT THE TIME.

5. FOR YOUR INFORMATION AND CLARIFICATION CONCERNING PARA 4 REF C, UNDER THE TERMS OF THE LEASE AGREEMENT, THE LESSEE IS RESPONSIBLE FOR THE RETURN OF THE SHIP TO PLACE DESIGNATED BY THE USN. NORMALLY, HOWEVER, THE USN/USG HAS DISPOSED OF THE SHIPS/CRAFT IN COUNTRY THROUGH SCRAP SALE BY THE DEFENSE PROPERTY DISPOSAL OFFICE.

6. REF D STATES THAT THE BRAZILIANS WERE INFORMED OF THE AVAILABILITY OF THE SHIPS (EXCEPT FOR AGOR-6) FOR PURCHASE.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 043294

EMBASSY SHOULD EXPLAIN ONCE AGAIN TO THE BRAZILIANS THE USG POLICY TO SELL AND POINT OUT THAT THE OFFER OF A TWO YEAR EXTENSION IS MADE AS AN EXCEPTION TO POLICY IN RECOGNITION OF THE BRAZILIAN BUDGETING PROBLEM.
VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY EQUIPMENT LOANS, NAVAL SHIPS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE043294
Document Source: CORE
Document Unique ID: 00
Drafter: 63: DROGERS:PM/SAS:RWSMITH:LD
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770067-0759
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977026/aaaaaese.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ed92acc9-c288-dd11-92da-001cc4696bcc
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 222561
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3369300
Secure: OPEN
Status: NATIVE
Subject: LEASE OF USN SHIPS/CRAFT TO BRAZILIAN NAVY
TAGS: MASS, BR, US
To: BRASILIA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ed92acc9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009